

**IN THE UNITED STATES BANKRUPTCY COURT**  
**FOR THE DISTRICT OF DELAWARE**

<b>IN RE:</b>  <b>W. R. GRACE &amp; CO., et al.,</b>  <b>Debtors.</b>	x : : : : : x	<b>Chapter 11</b>  <b>Case No. 01-1139 (JKF)</b> <b>(Jointly Administered)</b>
---	---------------------------------	---

**STIPULATION CONCERNING KANEB PIPE LINE OPERATING PARTNERSHIP,  
L.P. AND SUPPORT TERMINAL SERVICES, INC.'S OBJECTIONS TO  
CONFIRMATION OF PLAN OF REORGANIZATION**

This Stipulation is between NuStar Pipeline Operating Partnership L.P., NuStar Terminal Services, Inc. [collectively, “NuStar”]<sup>1</sup> on the one hand, and the Debtors,<sup>2</sup> the Official Committee of Asbestos Personal Injury Claimants, the Asbestos P.I. Future Claimants’ Representative, and the Official Committee of Equity Security Holders on the other hand [collectively, the “**Plan Proponents**”]. Together, NuStar and the Plan Proponents shall be called the “**Parties**.”

**I.**  
**DEFINITIONS**

The “**Joint Plan**” shall mean the “First Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code of W.R. Grace & Co. et.al., the Official Committee of Asbestos Personal Injury Claimants, the Asbestos P.I. Future Claimants’ Representative, and the Official Committee of Equity Security Holders Dated as of February 27, 2009” [Dkt. 20872] as it has been or may be modified or amended. Unless stated otherwise, all capitalized terms herein shall have the meaning ascribed to them in the Joint Plan.

<sup>1</sup> Effective March 31, 2008, Kaneb Pipe Line Operating Partnership, L.P. changed its name to NuStar Pipeline Operating Partnership L.P and Support Terminal Services, Inc. changed its name to NuStar Terminal Services, Inc. NuStar has appeared in the above-captioned bankruptcy case under its previous names, Kaneb Pipe Line Operating Partnership, L.P. and Support Terminal Services, Inc.

<sup>2</sup> The Debtors are the 62 entities that are the subject of the above captioned jointly administered bankruptcy case.

## **II. STIPULATIONS**

NuStar, on behalf of Kaneb Pipe Line Operating Partnership, L.P. and Support Terminal Services, Inc. agrees to withdraw its objections to confirmation of the Joint Plan, conditioned on the following language (or substantially similar language) appearing in any order confirming the Joint Plan under 11 U.S.C. § 1129:

Neither the Successor Claims Injunction nor the Asbestos Insurance Entity Injunction nor any other provision in the Joint Plan bars Kaneb Pipe Line Operating Partnership, L.P. (now known as NuStar Pipeline Operating Partnership L.P) or Support Terminal Services, Inc. (now known as NuStar Terminal Services, Inc.) [collectively, "**Kaneb**"] from pursuing claims pursuant to the premises/operations coverage of the Asbestos Insurance Policies issued by Settled Asbestos Insurance Companies listed on Exhibit 5 of the Exhibit Book of the Joint Plan with respect to alleged liability of Kaneb in connection with claims that are not Asbestos PI Claims or Asbestos PD Claims as those terms are defined in the Joint Plan, to the extent that Kaneb owns property rights in such Asbestos Insurance Policies. For avoidance of doubt: (A) nothing in the Joint Plan shall permit Kaneb to pursue Asbestos PI Claims or Asbestos PD claims as those terms are defined in the Joint Plan, and (B) the environmental claims implicated at the Otis Pipeline site (relating to alleged jet fuel releases from the pipeline which previously served Otis Air Force Base on the Massachusetts Military Reservation in Sandwich, MA, as described in the Motion for Relief From Stay at Dkt. 20538 and Exhibit OS-40) and the Macon Pipeline site (relating to alleged jet fuel releases from the pipeline in Macon, GA serving Warner Robins Air Force Base, as described in the Motion for Relief from Stay at Dkt. 20846 and Exhibit OS-41) are recognized not to be enjoined by either the Asbestos PI Channeling Injunction or the Asbestos PD Channeling Injunction.

Dated: December 31, 2009

Respectfully submitted,

SMITH KATZENSTEIN & FURLOW LLP

/s/ Kathleen M. Miller

Kathleen M. Miller (I.D. No. 2898)

The Corporate Plaza

800 Delaware Avenue, 10th Floor

P.O. Box 410 (Courier 19801)

Wilmington, De 19899

Telephone: (302) 652-8400

Facsimile: (302) 652-8405

Email: [kmiller@skfdelaware.com](mailto:kmiller@skfdelaware.com)

[erw@skfdelaware.com](mailto:erw@skfdelaware.com)

and

Steve A. Peirce (*pro hac vice*)

FULBRIGHT & JAWORSKI L.L.P.

300 Convent Street, Suite 2200

San Antonio, TX 78205-3792

Telephone: (210) 224-5575

Facsimile: (210) 270-7205

Email: [speirce@fulbright.com](mailto:speirce@fulbright.com)

and

Robert J. Gilbert, Esq.

GILBERT & RENTON, LLC

343 N. Main St.

Andover, MA 01810

Work: (978) 475-7580

Cell: (978) 479-4907

**ATTORNEYS FOR NUSTAR PIPELINE  
OPERATING PARTNERSHIP L.P (F/K/A  
KANEB PIPE LINE OPERATING  
PARTNERSHIP, L.P.) AND NUSTAR  
TERMINAL SERVICES, INC. (F/K/A  
SUPPORT TERMINAL SERVICES, INC.)**

KIRKLAND & ELLIS LLP  
David M. Bernick, P.C.  
Theodore L. Freedman  
601 Lexington Avenue  
New York, NY 10022  
Telephone: (212) 446-4800  
Facsimile: (212) 446-4900

Lisa G. Esayian  
300 N. LaSalle St.  
Chicago, IL. 60654  
Telephone: (312) 862-2000  
Facsimile: (202) 862-2200

and

THE LAW OFFICES OF JANET S. BAER, P.C.  
Janet S. Baer, P.C.  
70 W. Madison Street  
Suite 2100  
Chicago, IL 60602  
Telephone: (312) 641-2162  
Facsimile: (312) 641-2165

and

/s/ Kathleen P. Makowski  
PACHULSKI, STANG, ZIEHL & JONES LLP  
Laura Davis Jones (#2436)  
James E. O'Neill (Bar No. 4042)  
Kathleen P. Makowski (Bar No. 3648)  
919 North Market Street, 17th Floor  
P.O. Box 8705  
Wilmington, Delaware 19899-8705  
(Courier 19801)  
Telephone: (302) 652-4100  
Facsimile: (302) 652-4400

Counsel for the Debtors and Debtors in  
Possession

CAMPBELL & LEVINE, LLC

/s/ Mark T. Hurford

Mark T. Hurford (No. 3299)  
800 N. King Street, Suite 300  
Wilmington, DE 19801  
Telephone: (302) 426-1900  
Facsimile: (302) 426-9947  
mhurford@camlev.com

and

CAPLIN & DRYSDALE, CHARTERED

Elihu Inselbuch  
375 Park Avenue, 35th Floor  
New York, NY 10152-3500  
Telephone: (212) 319-7125  
Facsimile: (212) 644-6755

Peter Van N. Lockwood  
Nathan D. Finch  
One Thomas Circle, N.W.  
Washington, D.C. 20005  
Telephone: (202) 862-5000  
Facsimile: (202) 429-3301

Counsel for the Official Committee  
of Asbestos Personal Injury Claimants

PHILIPS, GOLDMAN & SPENCE, P.A.

/s/ John C. Philips

John C. Philips (Bar No. 110)  
1200 North Broom Street  
Wilmington, DE 19806  
Telephone: (302) 655-4200  
Facsimile: (302) 655-4210

and

ORRICK, HERRINGTON & SUTCLIFFE LLP

Roger Frankel  
Richard H. Wyron  
Jonathan P. Guy  
1152 15th Street, NW  
Washington, DC 20005  
Telephone: (202) 339-8400  
Facsimile: (202) 339-8500

Counsel for David T. Austern,  
Asbestos PI Future Claimants' Representative

SAUL EWING LLP

/s/ Teresa K.D. Currier  
Teresa K.D. Currier (Bar No. 3080)  
222 Delaware Avenue, Suite 1200  
P.O. Box 1266  
Wilmington, DE 19899  
Telephone: (302) 421-6800  
Facsimile: (302) 421-6813

and

KRAMER LEVIN NAFTALIS & FRANKEL  
LLP

Philip Bentley  
Douglas Mannal  
1177 Avenue of the Americas  
New York, NY 10022  
Telephone: (212) 715-9100  
Facsimile: (212) 715-8000

Counsel for the Official Committee of Equity  
Security Holders